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Rosemary Hargrave  
U.S. Army Corps of Engineers  
Northwest Division  
12565 West Center Road  
Omaha, NE 68114-3869

Dear Ms. Hargrave:

I am writing to comment on the Army Corps of Engineer's (Corps) Final Environmental Impact Statement for the Missouri River Master Water Control Manual Review and Update. I want to convey how disappointed I am that after more than fourteen years of review and evaluation, the "revised" manual apparently adheres to the same principles it did when it was last updated in 1979. The Manual simply reiterates the Corps' commitment to keeping a dying barge industry afloat, while leaving the economies of upper basin states high and dry.

Instead of reiterating status quo management, the Master Manual should maximize the economic benefits of the entire Basin by establishing operating priorities of the reservoirs and the river on the basis of economic, environmental, social, and other benefits to be derived from ALL authorized project purposes.

I am not suggesting the Master Manual should automatically favor one authorized function over the other. Rather, the Manual should outline a policy where the Corps will evaluate each authorized function based on the benefits it provides and compare those benefits with other functions throughout the entire river basin. If downstream navigation is economically justified and is found to be essential and necessary, it should be continued in an appropriate manner. However, if the Corps finds that economic benefits from other authorized priorities exceed navigational benefits, the Corps should give them higher priority status, regardless of the political impacts.

If the Corps reviews the national economic benefit derived from navigation and compares it to the economic benefit provided by recreation, the choice of changing management priorities is evident. Corps records show that taxpayers spend approximately \$7.1 million annually to support operation and maintenance of navigational interest on the Missouri River. However, the revenue attributed to the six members of the barge industry is approximately \$6.9 million, which is less than what it costs to maintain the river. Simply viewing the monetary loss to the public purse should persuade the Corps to change its management priorities on the river.

If sustained monetary loss is not enough to persuade the Corps to change its management priorities on the river, they should also look at other impacts of their management practices. A study performed in 2003 by the Institute for Agriculture and Trade Policy found that the public cost of providing navigation on the Missouri River exceeds the benefits to shippers. In this analysis the Institute found that every dollar the public spends to operate and maintain the Missouri River only generates 40.6 cents in transportation savings to barge companies, export elevators, importers and grain producers. Additionally, the study found that compared to the barging industry on the Upper Mississippi River, the cost of barging on the Missouri River is about 55 percent higher.

While the goal of the Flood Control Act of 1944 regarding the barging industry was noble, it has never lived up to its promise and therefore should be changed. The promise of shipping 50 million tons of commodities has never been reached and in fact, barge traffic has dramatically declined over the last decade. In 2002, 7.3 million out of the 8.3 million tons of cargo shipped on the Missouri involved moving dredged sand and gravel less than 10 miles. The rest -- 1 million tons -- comprised long-haul shipments of several products: grain for export, fertilizer to farmers and asphalt for road projects in Kansas City. By comparison, 317 million tons of products were shipped on the Mississippi River that year.

On the other hand, the Corps has indicated through its own analysis that recreational benefits on the upper river basin exceed \$84 million annually. In addition, the National Academy of Science, in a 2002 report, concluded that Missouri River dam reforms would enhance fishery resources, increase waterfowl populations and increase river use for recreational fishing, commercial fishing, and hunting -- activities that generate nearly \$90 million per year. But these benefits can only become a reality if visitors and users of the lakes can take advantage of these resources. During drought conditions, the Corps may have to fund projects to ensure lake access, with these additional costs again taken from the public purse.

Looking at the cost and benefits of projects is nothing new for the Corps. Under internal regulations, the Corps is required to economically justify each project before it is implemented. This analysis takes into consideration the entire national economic benefit of each project. Essentially, all that I propose is that the Corps follow these guidelines when deciding priorities on the Missouri River.

The Corps has indicated that its preferred alternative (PA) includes (1) more stringent drought conservation measures; (2) unbalancing the upper three reservoirs; and (3) increased summer releases to the lower river in non-navigation years. Unfortunately, the Corps' PA does not effectively address the relevant need to change the operating priorities or the problems that upper basin states are facing. In fact, the PA may achieve the opposite of its intended result by compounding the problem.

The Proposed Master Manual indicates as its preferred alternative a system that will allow the Corps more flexibility in addressing drought conditions at an earlier time than the current Master Manual. This is somewhat of a misnomer. The Corps has always had the discretion to restrict flows during drought conditions. It used this limited discretion and implemented a drought contingency plan in July 1988. However, this plan still viewed navigational interests as a priority, even during severe drought conditions.

Since the Corps has long held the discretion of restricting flows, it would seem that a drought contingency plan will be useless unless it is actually implemented when conditions are met. If the Corps' past conduct is any indication of its future management practice, the upper basin states will still feel cheated by navigational priorities.

Another plan the Corps has insisted will mitigate drought conditions is termed an unbalancing of upper reservoirs. Simply put, this plan would put the total impact of drought conditions on one reservoir every three years instead of spreading impacts equally between all three reservoirs. This encourages development of infrastructure for two years and then lets the towns and communities suffer in the third year. This type of management practice does not provide any type of long-term planning or consistency for upper basin states. Rather, the proper management practice should allow the upper basin towns and communities to improve their infrastructure and know their investments will be protected by the Federal government during drought conditions.

The Corps has also failed to adequately address compliance issues with the Endangered Species Act (ESA). Under a 2003 Amendment to the 2000 US Fish and Wildlife Service (FWS) Biological Opinion (BO), the Corps was given three years to devise and implement management practices on the river that would comply with the ESA. The Corps has indicated there is an ongoing debate over certain scientific assumptions made by the FWS. The Corps has also indicated it can come into compliance by creating man-made tidal pools and sandbars, rather than complying with the FWS opinion that flow releases should mimic the natural flow of the river.

This assessment is even more disturbing given the fact that in the past the Corps has refused to comply with various court orders requiring flow restraints on the upper reservoirs to protect endangered species. Also, equally troubling is the fact that when the FWS issued its BO in 2000, the Corps refused to comply or accept the findings. The challenged findings required the Corps and FWS to enter "formal consultation" on an acceptable resolution to the dispute. However, in November of 2003, with only a few weeks left in this process, the Administration intervened and replaced a number of the biologists from the 2000 team with new members, which resulted in a more satisfactory opinion delivered to the downstream barge industry.

Page 4

Comment on Missouri Master Manual

March 18, 2004

In conclusion, I believe the Corps should do more than simply reprint the 1979 Master Manual. The people of the Missouri River Basin deserve and expect more. The towns and communities that have grown dependent on the reservoirs and river need to know what they can expect from the federal government in the future. They need to know that the government is more concerned with the safety and welfare of the nation, rather than simply six barge companies. Now is the time to set the goals for our future use and judging from the past, the status quo is no longer an option.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron L. Dorgan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Byron L. Dorgan  
U.S. Senator

BLD:ts